

FISCAL NOTE

SB 793 - HB 1123

February 26, 2001

SUMMARY OF BILL: Allows licensed health care providers to negotiate jointly with health care insurers by utilizing a common representative. Negotiations would not be allowed on fees but on matters such as patient referrals, utilization review, drug formularies, payment schedules, etc. Before engaging in negotiations the attorney general must approve the arrangement. The attorney general must approve a petition to negotiate or materially change negotiations if the pro-competitive and other benefits outweigh any anti-competitive effects and the contract terms are consistent with other applicable laws and regulations. Workers compensation and TennCare are exempted from the provisions of the bill.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$190,560 Recurring
\$22,000 One-Time**

Assumes a need for four positions and associated positions in the Office of the Attorney General to administer the act.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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